

# **Opening the black box of metagovernance: the roles of central government in local multi-level networks**

## **The case of the local job centres in Flanders<sup>1</sup>**

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### **1. Introduction**

The organization of social life has never been easy to achieve (Bouckaert et.al. 2010). Traditionally, public authorities have tried to accomplish this complex and difficult task through the use of vertical coordination and integration mechanisms (i.e. the Weberian bureaucracy). During the last decades however, a number of societal and economic evolutions have diminished the capacity of governments to organize society based on strict hierarchical lines of authority (Agranoff 1990; Huxham 2000; Keast 2004). Especially at the local level, governments are confronted with complex social issues and problems that require an integrated response through coordination between a wide range of actors from both the public, nonprofit and the private sector (Bogason 2002; Pierre 1999). As a result, new modes of governance like partnerships and networks become increasingly popular in various policy areas (Rhodes 1997; Pierre and Peters 2000). This also means that those concepts are increasingly reflected in the discourse of central or local governments or that imposing network – like arrangements becomes part of the regular tool kit of governments. The hierarchical way of coordination then is used to install top – down networks. Each government could use this type of strategy within the realm of their own competencies. In this paper the focus is on the multi - level relations: what happens at the local level when central government intervenes in a policy domain by installing and imposing in a top – down manner local network – like arrangements?

Over the years, governance scholars developed the concept of metagovernance to analyze the roles public authorities play in these settings. In its most strict sense, metagovernance is about the regulation of self-regulating networks, about guiding at a distance without losing control (Jessop 1998 and 2001; Kooiman 1993; Sørensen and Torfing 2009). In most studies of meta-governance, the focus is on horizontal relations between the meta-governor and the set of network participants: how should for instance a local government regulate or meta-govern local

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networks developed from the bottom up? But what happens when central government is the meta-governor of local networks? Especially in the Flemish region this question is highly relevant: in a lot of policy domains the Flemish government uses network-like concepts for installing local partnerships and in most local networks, Flemish government is involved, in one way or another (e.g. the study of Voets and Verhoest 2012 on integrated youth care in Flanders).

While governments meet the challenge to make meta-governance effective to deal with policy problems or to provide public services through those self-regulation networks, scholars need to develop the concept further to make it useful for developing governance theory and doing empirical research, also in and for multi-level settings. Part of that challenge is to deal with the murky area to decide what makes government's actions meta-governance or something else. Another challenge is to see whether the meta-governance concept, with its primary use in the context of policymaking and policy networks dealing with wicked problems, also fits a context of policy implementation or service delivery – although such distinction can be artificial as networks often feature degrees of both (Rethemeyer and Hatmaker, 2008). Finally, as metagovernance and the concept of networks are intertwined, the latter needs to be dealt with as well. Although scholars refer to 'self-regulating networks', they are still 'influenced' in some way by the government. What then is the degree of 'self-regulating'? Is it possible that local networks installed from the top down develop self-regulating activities in the shadow of central regulation, or maybe even due to incentives by the central government? Is self-regulation a feature of networks that can be activated, even in the context of centrally formatted local networks?

In this paper, we set out to use the concept of meta-governance in a multi-level context, to explore how service delivery networks involving different public and private partners at the local level are shaped and managed by different governments involved. From our perspective, meta-governance then is about the relationship between central government and local networks and refers to the way central government shapes and manages local service delivery networks. The particular multi-level setting implies that central government is not the only one with such meta-governance capacity; local government for instance has some power as well.

For this purpose, we address three research questions: What is the governance mix in cases of centrally designed local networks, with different public authorities (central and local level) involved in the network and focused on coordinated service delivery? How does that governance mix match the concept of meta-governance as we know it? Finally, what does this complexity of relationships and governing styles tell us about the self-governing capacity of local service delivery networks, and the role(s) of government(s) in these settings?

We bring in one Flemish case to deal with these questions empirically. Our case is located in the field of employment policy, where local networks are popular in an attempt to provide an integrated response to local labor market issues (see amongst others Mc Quaid et.al. 2006; Considine 2006). The particular case is such a partnership in Flanders (Belgium), namely the local job centres ('lokale werkwinkels') which function as a *one-stop shop* or *single gateway* for unemployed people, integrating services from both public and private actors in the field (Struyven and Van Hemel, 2009).

The article is structured as follows. In the first section we introduce the analytical framework used for our analysis. We develop the concepts of meta-governance and networks, using the

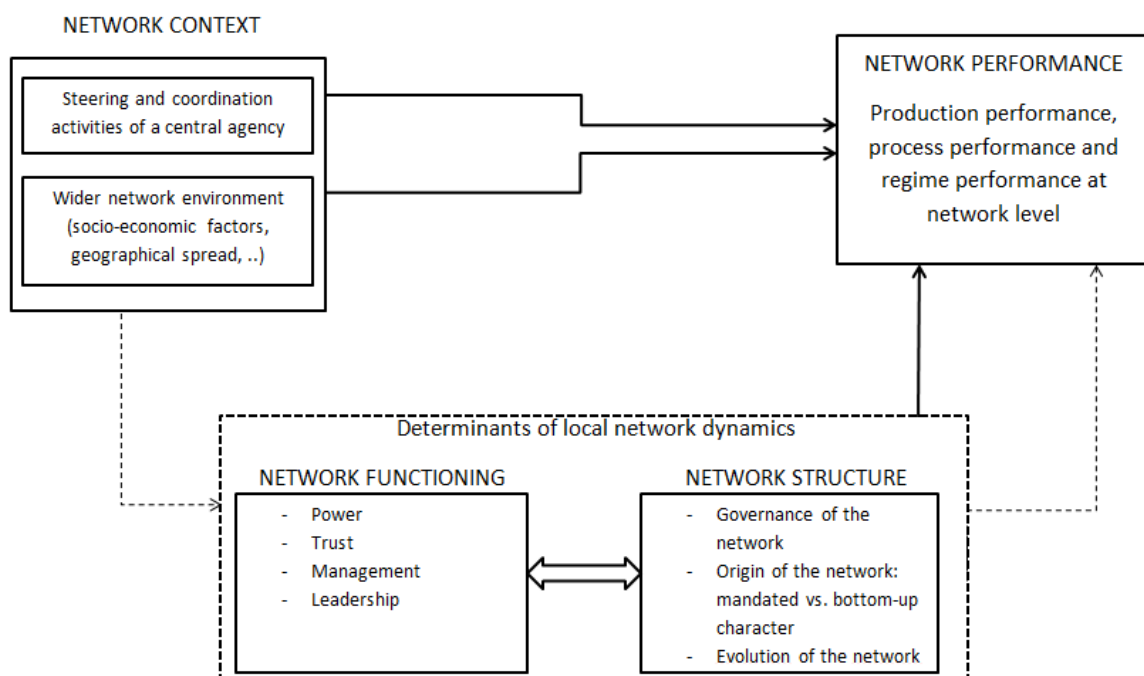
coordination literature on hierarchy, markets, and networks (Bouckaert et.al. 2010). The next section reports the case studied. We conclude with lessons learned, reflecting on the concept of meta-governance.

## 2. Towards an analytical framework

### 2.1 Overall framework for the research project

The research questions dealt with in this paper are part of a wider research project about the performance of local service delivery networks that are part of a multi-level setting. In the following figure we present the basic model of our research. The research project is based on three case studies with three embedded cases in each case (Yin, 1994). Each network for each of the policy domains under study (health care, social economy and water policy) shows a different combination of sets of roles played by the Flemish government.

**Figure 1 – Framework of network effectiveness in multi-level settings**



The case reported in this paper is a first attempt to use this framework for analysis. We do not apply all the elements of the framework systematically but we focus on the issue of coordination in multi-level local networks (as part of the network context) and the impact hereof on network functioning.

### 2.2 Local networks: a typology for multi-level analysis

Defining networks and typologies is a never ending story in the network literature (Voets, 2008). Although definitions vary, a network typically involves “structures of interdependence involving multiple organizations or parts thereof, where one unit is not merely the formal subordinate of the others in some larger hierarchical arrangement” (O’Toole 1997: 45). Different typologies of networks have been developed over the years (e.g. the three C’s of Keast et al. 2007; see also the Agranoff typology consisting of four network types). Those typologies focus mainly on the goals and the nature of the network relations in the networks. For our goal, a

supplementary typology is needed, focusing on the formal features of local networks from a multi-level perspective. We distinguish five types of local networks in the Flemish region (De Rynck et. al. 2013):

1. Centrally designed local service delivery networks
2. Traditional local service delivery networks, locally designed
3. New local service delivery networks, locally designed
4. Policy networks at supra – local level, centrally designed
5. Local policy networks, locally designed

We make a double crossed distinction between (1) local service delivery networks and local policy networks for wicked problems and (2) the meta-governance focus: who is the main meta-governor for each of the network types: central or local government? Our case in this paper is a network type of category 1: the Flemish government at the central level designs a certain type of networked-like local arrangement for a specific service delivery goal, which is applied throughout the Flemish territory.

### *2.3 Bringing in meta-governance theory*

Traditionally, the concept of metagovernance is used by network governance scholars to address the issue of how public authorities try to coordinate new governance arrangements like networks and partnerships. From this viewpoint, metagovernance encompasses different ways of governing collaboration (Sørensen 2006; Sørensen and Torfing 2009; Klijn and Koppenjan 2004; Haveri et.al. 2009). To our knowledge, it is mostly associated with policy networks.

Amongst others, Sørensen (2006) states that hierarchical integration mechanisms do not apply to settings in which emphasis lies on the capacity of self-governing actors. Instead, public authorities should rely on more subtle forms of governance, which permit them to let go without losing control (see also Kelly 2006). Hence, meta-governance theoretically rests on the sharing of power, authority and control in multi-actor settings where governments do not take a hierarchical position (Keast 2004; Voets et.al. 2012). But what happens when local networks are created due to a one-sided top-down hierarchical intervention by central government and, maybe, even develop some self-regulating activities within that framework?

Sørensen (2006), later on refined by Sørensen and Torfing (2009), identifies four distinct meta-governance roles that state actors can adopt in policy networks. The meta-governance tools range from more distant hands-off tools (design and framing) towards hands-on approaches (management and participation) in which there is a close interaction between public actors and the network members.<sup>2</sup> The first tool in the meta-governance tool-box is hands-off *network design*. Following the authors, this role aims to ‘influence the scope, character, composition and institutional procedures of the network’ (p. 246). In the network design role, government seeks to create social and political meaning and identity for the network. The second role is *network framing*. Hereby government sets out the political goals, financial conditions and legal basis for the network. In practice, *network framing* can include a range of different activities. *Network*

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<sup>2</sup> In the 2006 article, Sørensen uses the concept of storytelling instead of network design and network facilitation instead of network management. In this article we use the more recent typology of Sørensen and Torfing (2009)

*management* focuses on facilitating and guiding interactions in the network. In this role governmental actors try for example to settle conflicts or reduce tensions amongst network members. In the fourth role, *network participation*, the public metagovernor becomes one of the members of the network. In network participation, state actors do not take on a hierarchical position. Sørensen and Torfing state that public metagovernors should best adopt a mix of hands-off and hands-on meta-governance tools.

What happens when we apply those four ideal typical roles in multi-level settings? In our case the Flemish government is the designer and the most important framing authority for all the local networks of type 1 in Flanders. Design and framing in those settings is something different compared to the tailor-made interventions of one government designing and framing one network. Still, it is in a certain way designing and framing networks. What happens when those local networks develop self-regulating activities, despite or even stimulated by the design and framing of the central government? And what is the meaning of managing and being actor in the network when a whole set of similar local networks all over the area are created by central government? While the content and meaning of those roles maybe changes in this type of networks, in our opinion the meta-governance approach can still be useful, as we will demonstrate further on.

In the multi-level settings, meta-governance roles become even more blurred because different governments are active in the setting and all have some meta-governance powers. We will illustrate this point in the case section. We feel that the potential of the meta-governance needs to be set against such multi-level or intergovernmental reality and hope it helps to bring a nuanced picture to life.

#### *2.4 From governance to meta-governor*

To analyze governance behavior in practice, the literature provides a useful basis to build on with the trinity of hierarchy, market, and network (Thompson et.al. 1991; O'Toole 1997; Powell 1990; Keast et.al. 2006; Osborne 2010). These three mechanisms can be translated into typologies of instruments (see Verhoest et.al. 2010; Bouckaert et.al. 2010). The three mechanisms and instruments are used by government *"to influence the decisions and the behavior of other governments or private partners in order to achieve government objectives"* (Verhoest et.al. 2010: 5).

Hierarchy reflects the traditional command-and-control style of policy making and implementation, rooted in the Weberian bureaucracy and resting on the existence of rules, procedures and strict lines of control (Bouckaert et.al. 2010). Some often heard critiques on this governance form is the lack of flexibility and resilience on the side of implementation units towards the dominant position of governments. The fundamental idea of the market model is price setting in a competitive setting of supply and demand. The adoption of market oriented governance mechanisms within public policy theoretically derives from the public choice theory and economic neo-institutionalism (Bouckaert et.al. 2010). Some basic features of the model are contractual agreements, result-oriented financing and the use of performance norms and monitoring (Voets et.al., 2012). The third mechanism is the network model. Networks lean on horizontal coordination through negotiation, mutual trust and reciprocity between mutual interdependent actors (Powell 1990; Kickert et.al. 1997; Peters 2003; Klijn and Koppenjan

2000). The latter provides networks with collaborative advantage (Huxham 1996). Table 1 outlines concrete coordination instruments governments can apply.

**Table 1 – a typology of coordination instruments**  
(Based on Verhoest et.al. 2010; Bouckaert et.al. 2010)

<b>Hierarchical instruments</b>
➤ Restrictive rules
➤ Veto power and power of annulment
➤ Detailed procedures
➤ Ex ante authorization and approval
➤ Input-based financing
➤ Direct control and supervision
➤ Direct instructions
<b>Market based instruments</b>
➤ Contractual agreements
➤ Performance based monitoring
➤ Performance control and audit provisions
➤ Result-oriented reporting
➤ Result-oriented financing
➤ Result-oriented incentives and sanctions
➤ Benchmarking
<b>Network based instruments</b>
➤ Network management
➤ Mutual control (frequent personal contacts, extensive consultation and collaborative procedures)
➤ Co-decision making
➤ Involving stakeholders and peers in the process
➤ Partnership agreements

Hierarchies, markets and networks present the ideal types of governance. Although separated at the normative level, in practice those integration mechanisms are often adopted in combination. Rhodes (1997), followed by Keast, Brown and Mandell (2006), states that “*it is the mix that matters.*” Hence, good governance is the result of dynamic combinations of the three models (Meuleman 2008; Bryson and Crosby 2009). We use this typology to analyze the governance mix in the case. By mapping the formal and especially the actual governance patterns in the case we studied, we try to add more flesh to the metagovernance bones.

### 3. Methodology

In the case of the local job centres, data is obtained through 12 semi-structured qualitative interviews with partners of three local job centres in the city of Ghent (the second biggest city of Flanders). Respondents are located at the Flemish Public Employment Service (both at regional and at local level), the Department of Work of the city of Ghent and the nonprofit partners (‘PWA’). Interviews were done between November 2012 and January 2013. All interviews were recorded and transcribed. Afterwards, data has been coded (Miles and Huberman, 1994). In addition to the interviews, we conducted a comprehensive analysis of written material.

### 4. Case: the local job centres in Flanders

#### 4.1 Introducing the case

In Flanders, employment policy is a shared responsibility between the federal government, the Flemish government and the local governments. This multi-level reality is the result of an ongoing process of regionalization (in which federal government devolves competences to regional governments in Belgium) and a policy shift in which cooperation between agencies, local embedding and transparency of services became the new guiding principles for the formulation and implementation of employment policy (Struyven and Van Hemel, 2009: 1056). The multi-level policy cooperation is anchored in a framework agreement between the departments and agencies of the three institutional levels (Partnerschapsverdrag, 1999). In 2000, the new policy paradigm is implemented operationally through the foundation of the local job centres. Public, private and nonprofit actors work together in these local partnerships around two pillars: integrated services and the development of a local service economy. Currently, there are 134 local job centres in Flanders, four of them situated in the city of Ghent. The principles of the framework agreement are confirmed at the local level through a Local Partnership Agreement in which each local actor gives support for the two objectives of the network. Also, partners engage to strengthen mutual cooperation with each other (Local Partnership Agreement, Art. 3).

Based on these elements, the basic network features seem present: horizontal relations between governments, written down in a partnership agreement; local embeddedness in a network structure joining public and private actors that in theory will deliver services customized to individual clients' needs; the need to connect and exchange resources and manage dependencies to help them with trajectories to find work.

The framework agreement between the federal and the Flemish ministers of Work and the Flemish Association of Cities and Communities – as representative of the local authorities – mandates the Flemish Public Employment Service ('Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding' or VDAB) as coordinator of the integrated employment services. The integrated services join the basic services of the VDAB (i.e. intake and trajectory guidance) with those of the local partners. Since 2004, the local job centres have a legal basis in the VDAB decree (= a regional law). The VDAB is an autonomous semi-public institution or agency with more than 4.900 employees, at a distance of the Flemish government contracted out and based on a performance contract (Struyven and Verhoest, 2005). The current performance contract (2011 – 2015) defines five strategic objectives that are refined into eighteen concrete objectives. Also, the contract formulates strict performance targets per each objective (Performance Contract 2011 – 2015, Annex 2). Table 2 gives a schematic overview of concrete objectives and performance targets for strategic objective 1: *A maximal and tailor made activation of all jobseekers and other non-active people with the intention of a durable integration in the labor market.*

**Table 2- Performance targets for the VDAB**

<i>Strategic objective 1: A maximal and tailor made activation of all jobseekers and other non-active people with the intention of a durable integration into the labor market</i>		
<b>Operational objective</b>	<b>Measurement frequency</b>	<b>Performance target</b>

Activation of job seekers < 25 age	4 x year	57.0 %
Activation of job seekers between the age of 25 and 50	4 x year	47.5%
Activation of job seekers > 50 age	4 x year	30%
Activation of the unemployed > 1 year	4 x year	11.5%
Activation of unemployed within disadvantaged groups	4 x year	18%
Activation of unemployed subject of collective dismissal	4 x year	40%

The VDAB is internally decentralized and each of the five Flemish provinces has its own VDAB unit. The decentralized VDAB units translate the policy directives at the local level. Within the VDAB, a long standing debate is going on related to the degree of decentralization and the autonomy of the local units of the VDAB. Of course this is crucial for a good understanding of the dynamics in the local networks. The central directions and central management of the VDAB could adopt a 'meta-governance' style vis-à-vis their decentralized units, giving them some room to set up tailor-made networks for specific target groups. But the main dynamics seem to go in the other direction: management systems are established and the degree of centralization seems to be reinforced, mainly due to the political and financial pressure on the organization. Instead of relying on a meta-governor style, the VDAB seems to be dominated by a strong and even reinforced top-down hierarchy.

In analysing the multi-level setting around the partnership of the local job centres, we discover three possible 'moments of meta-governance':

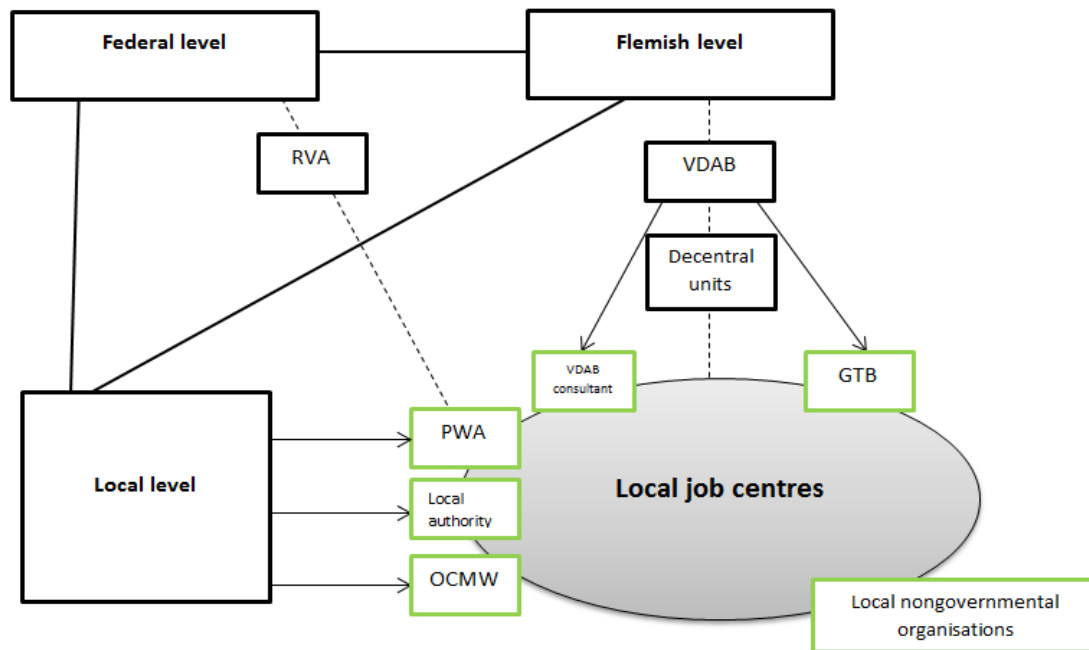
1. The Framework Agreement between the federal, Flemish and local governments and the given autonomy herein for the composition and functioning of the local networks;
2. The relationship between the Flemish government and its agency (the VDAB);
3. The dynamics and the coordination strategy within the VDAB, including the way this organization might reflect on its own role as manager and actor in networks.

These moments reflect certain points of alternative; there have been made choices about the design, framing and management of the network, although other options were available.

Figure 1 shows the multi-level and multi-actor composition of the network. The partners of the local job centres are marked in green.

**Figure 1 –Multi-actor and multi-level composition of the partnership (own composition)**





The VDAB is the most important partner of the network. As mandated coordinator of the first pillar, the VDAB is responsible for the implementation of public employment services in Flanders. This is in part realized through the partnership of the local job centres, where trained VDAB consultants provide trajectory guidance for job seekers. Trajectory guidance is defined as “intensive and individual guidance for job seekers which increases their chances on the labour market by means of a ‘customized trajectory.’ It is a flexible, continuous process from intake to job consolidation” (Administratie Werkgelegenheid, 2000). A trajectory may comprise several steps or modules. There are seven distinct modules: (1) universal services, (2) screening and trajectory determination, (3) job-search training, (4) job-specific training, (5) personal training, (6) training on the job and supervision at the workplace, (7) trajectory guidance and follow-up (Struyven and Verhoest, 2005). Screening and trajectory determination (module 2) is always done by the VDAB. For the concrete realization of the trajectory (modules 3 – 7), other partners can be responsible as well.

A second partner at Flemish level is the organisation for guidance of people with a labor disability (‘Gespecialiseerde Dienst voor Trajectbepaling en –begeleiding’, GTB). The GTB is a non-profit organization who provides trajectory guidance for the disabled. Since 2006, the GTB receives its annual grants from the VDAB (and not anymore through direct funding from the Flemish government). At the federal level, the National Employment Office (‘Rijksdienst voor Arbeidsvoorziening’ or ‘RVA’) is responsible for the payment of unemployment benefits. The RVA is also the principal of the local employment agencies (‘Plaatselijke Werkgelegenheidsagentschap’ or ‘PWA’). The PWA’s are local nonprofit organizations (created at the level of one municipality or a group of municipalities) that provide work experience for the long-term unemployed. Their installation comes under the responsibility of the local governments (each municipality has a PWA), who act as an executive body of the RVA. The local governments involved in the network are the local Public Centres for Social Welfare (‘Openbare Centra voor Maatschappelijk Welzijn’ or ‘OCMW’)<sup>3</sup> and the cities and municipalities. While each

<sup>3</sup> Each city or municipality has an OCMW. They enjoy a certain level of political and managerial autonomy and have a legal basis in federal law. The links with the cities and municipalities are currently strengthened (e.g. the

OCMW is responsible for the payment of subsistence wage and job-seeking activities of social assistance clients, the city or municipality is responsible for the development of social employment initiatives, like cleaning help, community development work, and odd-job services. Since those initiatives are of a local nature, the local governments are mandated as coordinator of the second pillar. (Struyven and Van Hemel, 2009).<sup>4</sup>

Table 1 outlines the main characteristics of the two pillars. In this analysis, the focus will be on the first pillar, since the intergovernmental dimension and the meta-governance complexity expresses itself most prominent around this issue.

**Table 1 – Characteristics of the local job centres in Flanders**

(Struyven en Van Hemel, 2009: 1058)

	First pillar	Second pillar
Type of service	Integrated services	Local services economy
Target groups	Unemployed job seekers Employers employees	Local services economy users
Director	Public employment service	Local authorities
Partners	VDAB PWA Local authorities/ OCMW (GTB) (Nonprofit organisations)	Local authorities PWA service company
Total number operating in 2013	134	Mainly in the thirteen larger cities

#### *4.2 Analyzing the case*

We now use the typology of instruments to analyze the governance mix in the partnership of the local job centres. We make a distinction between the formal presence of types of instruments and the actual use hereof in the local job centres in Ghent. This analysis allows us to assess to what extent the actual dynamics are that of a network and helps us to explain the meta-governance roles of central government in centrally designed local service delivery networks.

#### Network based coordination instruments

We identify three network based coordination instruments who are formally intended at strengthening the interaction and cooperation at the local level.

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OCMW chairperson is now member of the College of Mayor and Aldermen, which is the political executive board of the city or municipality)

<sup>4</sup> This could be considered as a next level of meta-governance, concerning the way local governments shape the social economy through networking with various partners, being mandated to do so by central government.

Following art. 7 of the Interadministrative Framework Agreement, a local partnership agreement ('LPA') has to be signed between the partners of the local job centres. The local partnership agreement lists the representatives of each partner at the local level and outlines the commitments of each member. A concept for the Local Partnership Agreement was made in 2009. Formally, there is a possibility to customize the LPA to the local labor market situation. However, respondents of the local authority and the PWA reported that the Local Partnership Agreement in Ghent was meaningless, because the VDAB does not live up to the commitments listed in the LPA.

A second network instrument is the executive board. The executive board is composed of the local representatives the members; minimal one representative of the VDAB and one representative of the local government (VDAB Decree 2004, Art. 20 § 3). The task of the executive board is to make agreements about the daily operation of the job centres (Local partnership agreement MODEL, 2009: Art. 10 § 2). These are for example decisions about budget spending or staffing and communication about local activities and actions. In the case of Ghent, one executive board is competent for the three job centres. That executive board consists of ten members: one representative of each local partner plus the three local job centre managers (who are VDAB employees). The executive board meets two times per year. In Ghent, the relevance of the executive board is said to be hollowed out as respondents state that the local partners are not meaningfully consulted during meetings. The executive board is considered merely a place where other partners are informed about decisions that have already been taken by the VDAB and the low frequency of the meetings is an indicator for the decisions that are made in this meetings.

In response to the growing unemployment rates, the VDAB board recently decided to install a 'city-manager' in the two biggest cities of Flanders (Antwerp and Ghent). This manager is the third network instrument. The city-manager has to synchronize the employment initiatives of both the VDAB and the local governments. The city-manager also has to monitor the local embeddedness of the VDAB employment directives, which are implemented via the local job centres. In Ghent, a city manager was installed in May 2012. However, hardly one year later, the function is vacant for the second time. The following quotation points to the apparent uselessness of a city-manager in Ghent:

*"I think she quit the job partly of frustration. There is very little to accomplish at the local level. All decisions are already been made and the only thing you can do is to apply some grease to keep things going" (Interview PWA).*

#### Market based coordination instruments

The VDAB uses the partnership of the local job centres to achieve its objectives and targets as outlined in its current performance contract with the Flemish government (2011 – 2015). Therefore, the different steps in the process of trajectory guidance are consciously monitored. To this end, all local partners enter client data into one single computer system: the VDAB Client Monitoring System. Monitoring categories include for example the number of intakes or the number of job-trainings given in a certain period.

However, contradictory to the performance-based monitoring and evaluation within the VDAB (see section 4.1), the registration of the different activities of the local job centres is not linked to financial incentives. One of the local partners explains:

*“The numbers are automatically registered. But there is no performance norm with budgetary consequences. There are reports, they give a quantitative overview but it’s not a commitment” (Interview PWA)*

The absence of performance norms in the local job centres seems somewhat contradictory to the market-based philosophy of the performance contract of the VDAB. However, it may back up the statement of the local partners that the VDAB shows only little interest in the partnership of the local job centres as an instrument for the activation of unemployed people. If the VDAB feels it cannot achieve its performance targets within this partnership, its apparent disinterest in the latter might also be explained.

On the other hand, local partners have the feeling that the VDAB is drawn to a market operation based outsourcing policy in order to reach its targets. The market philosophy for guidance and activation of the unemployed was introduced by the Flemish government in 2004, following an international trend whereby public and private actors work together in the field of employment services. The VDAB Decree authorizes the Advisory Board of the agency to regulate the partnership agreements with private actors (VDAB Decree, Art. 12, 4°). The outsourcing policy is mostly adopted for specialized trajectory guidance for which the VDAB lacks the capacity and the expertise. However, the outsourcing policy of the VDAB is not without problems. One interviewee states:

*“Local employment service has become a synonym for the implementation of tenders who are formulated at central VDAB level” (Interview city of Ghent)*

The above quotation shows that the outsourcing policy of the VDAB is not a pure example of a market based model, since it leaves little room for other partners to influence the scope of the contract.

In principle, tenders may involve both public, private and nonprofit players. In practice, the tenders of the VDAB are said to be tailored to the size of large private players and local public actors are passed. This is a second problem.

Thirdly, the tender policy leads to conflicting consequences. One of the quotations explains this tension:

*“One of the worrying facts of the tender policy is that organizations become competitors because bringing in a tender means more budget, work force, .. so the whole idea of working together has been outdated from the moment the tenders were introduced” (Interview city of Ghent)*

### Hierarchy based coordination instruments

Analyzing network literature shows that the mere existence of hierarchical coordination elements in network settings is not a problem on its own. However, this type of coordination should not have the upper hand, since it threatens the self-governing capacity of partnerships.

Voets et.al. (2012) state that a typical feature of hierarchy is the fact that actors are considered relatively passive objects. This is also the case for the local partners in Ghent. Local partners state that the coordinator role of the VDAB is in fact considered a hierarchical role (Interview X, Y, Z). One interviewee states:

*"The central VDAB headquarters has formulated a number of directives that essentially mean that the VDAB calls the shots and that the others have to follow. And if they don't want to follow, that is their bad luck. That is what the VDAB calls 'coordination'"*  
(Interview city of Ghent)

Another respondent explained:

*"The VDAB has the final word. When it takes a decision, the city has nothing to say about it"*  
(Interview local VDAB manager)

These quotations illustrate that the VDAB holds a very dominant position in the partnership and does not seem to hesitate to formulate direct instructions. According to the local partners, the dominant attitude has always been present, although they have the impression that this mentality has increased over the years. The hierarchical role of the central VDAB-level obstructs a tailor made functioning of the local employment centres in Ghent, although this was the original ambition of the Partnership Agreement (1999).

The dominant attitude of the VDAB is certainly linked to the input-based financing system of the partnership. In the local job centres, 90% of the financial means is funded by the Flemish government and channeled through the VDAB. In Ghent, the other partners each bring in 2.500 € per FTE. Hence, the share of the local partners is very limited, since the VDAB delivers in general more than 50% of the job centre staff (Struyven and Van Hemel, 2009). In most of the local job centres, the VDAB also provides the local manager.

The yearly contribution of the partners is used to finance the daily operation costs of the job centre (stamps, coffee, paper, ..). All other recurrent costs are paid with VDAB money. These are for example the rent of the location and ICT costs (hard- and software). When we asked interviewees whether this financial system is unfavorable for the partnership, the answer was clear:

*"Automatically. Decisions depend on who brings in the financial means"* (Interview PWA)

#### *4.3 Reflecting on the case: metagoverning a service delivery network?*

The analysis above reveals a number of elements. First of all, while the formal features and discourse indicate a network setting, the actual interactions and behavior in the network and that of the main players in particular are more hierarchical and market like. The local job centres appear to be merely and only local VDAB agencies, rather than broad partnerships in which partners are treated equally, joining their resources (money, knowhow, ...) to achieve more integrated service delivery.

Secondly, our analysis shows that what might have appeared meta-governance from the outside is actually more hierarchical and market than network governance from the inside. From the outside, meta-governance was applied in the most intense form: through designing, framing, managing and participating. From the inside, it is clear that the Flemish government and VDAB did it in such a way that actual network dynamics were limited or halted. For various reasons, the Flemish government and VDAB have not allowed those centres to become self-regulation networks. The Flemish government designed the concept of the local job centres, put it in legislation, and defined two pillars with a different coordinator for each pillar. Although the idea of local autonomy to adapt the employment strategy to local needs and opportunities certainly

promised such a setting, the VDAB in particular applied a strict framing of the local job centres, demotivating the others partners involved.

*“The VDAB will always continue to set its own course, although the city wanted to take a different course. That also has to do with the governing coalitions: the Ghent coalition is rather progressive, which conflicts with the patronizing logic that The Flemish government now imposes through the minister of work”* (Interview city of Ghent)

The VDAB could have taken up a network managing role through the managers of the local job centres, trying to bring partners closer together and coordinating joint efforts. Even if those managers are typically on the VDAB payroll, they might have been mandated to maximize the partnerships’ potential. The opposite seems true: those managers had little autonomy because of the strict instructions of the central VDAB headquarters, and could only take some operational decisions. The concept of management is not related to the management of the relations in the network but is restricted to daily and rather practical managerial routines.

The case shows however that consecutive choices have been made in the construction of the formal network (e.g. the Partnership Agreement on central level; the performance contract with the VDAB; the internal way of working in the VDAB,...) which could have been used to make other choices in the formatting of the network; other choices in the meta-governance realm. This is what meta-governance is about: making deliberate choices for the design of networks. The main conclusion is that other choices were possible and that alternative designs could have created other types of networking. So using the concept of meta-governance is fruitful, even although in this case the choices made have been contraproductive for the local networks.

## **6. Conclusion and discussion**

In this paper we develop and use the concept of meta-governance in multi-level networks focused on local service delivery. The cases studied (the local job centres in the city of Ghent) are in formal terms a network, metagoverned mainly by the Flemish government. However, a closer look at the actual network interactions and the way key actors act regarding the network shows that they are closer to multi-actor arrangements with limited autonomy and dominant actors that act rather hierarchical or market like. This however does not mean that the attempt to make meta-governance more tangible by linking it up with network typologies and the coordination literature (that provides an instrument typology based on hierarchy, market, and network mechanisms) is not useful nor that meta-governance is not fit to analyze multi-level settings. The paper shows that we need to think differently in terms of meta-governance roles when analyzing multi-level service delivery networks.

First of all, meta-governance strategies can take place in the shadow of hierarchy. This means that elements of hierarchical coordination matter in these types of networks. Certainly in mandated networks, this is essential because government often controls most (important) resources and uses that power to organize the network and influence its operations. Hence, a reflection on types of organization and on the way governments are using their formal power is essential. This means that alternative choices for designing local networks in this specific case could have been and should have been considered.

Secondly, the paper shows that we should be careful to speak of metagovernance like a one-on-one relationship between one government and its network. Real life in the cases reported here

means that different governmental tiers are involved, which calls for a more elaborate conceptual and empirical approach to apply the concept of metagovernance in multi-level settings.

Thirdly, the use of the concept of metagovernance in multi-level networks should be developed further, but seems promising. Certainly in the Flemish context this is necessary: due to close personal and party-political links between local and central actors, in most 'local' networks the Flemish government in some way or another is involved (De Rynck and Voets 2006; Voets 2013). The multi-level model is the dominant practice in networked policy making and networked service delivery.

However, in this paper we only presented the results of a first case analysis. Our ongoing research shows interesting differences in the way the Flemish government is involved in different local networks. While the case presented in this paper shows that the governing role is very dominant and is in fact the meta-governance choice that has been made, there is much more variation in other cases. In some cases the Flemish government designs the local networks but keeps distance towards the operational level of the networking, giving more autonomy to the network partners. In other cases the Flemish government is an actor in the network itself but is much more dependent on local actors. Comparative case research will help us to unravel the concept of meta-governance in local networks further and deeper. We hope to be able not only to describe the different network models but also to explain the interaction between central meta-governance roles, the impact of those roles on dynamics in networks and finally the relation between meta-governance, network dynamics and the performance of local networks.

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